



Department of the Navy
Civilian Benefits Center
Benefits Bulletin 2011-11

Thrift Savings Plan Enrollment For 2012

Bulletin Highlights

- There is no Open Season for Thrift Savings Plan (TSP); you can enroll, change or cancel your contributions at any time.
- You can contribute up to \$17,000 in tax-deferred money to the TSP in 2012. This is an increase from the 2011 limit of \$16,500. If you will be age 50 or over in 2012, you can also contribute up to \$5,500 in additional "catch-up" contributions, as long as your regular contributions for the year are expected to reach the \$17,000 limit. The catch-up contribution limit has not changed from 2011.
- If you want to continue your current regular TSP contributions in 2012 no action is required, unless you want to contribute the full \$17,000.
- If you want to make catchup TSP contributions in 2012 you must make a separate catchup TSP election for up to \$5,500.
- FERS participants are strongly encouraged to distribute their contributions over the entire year to receive Agency Matching Contributions each pay period.
- To distribute TSP contributions equally over all 26 pay periods in 2012 make your election during the period 4 – 17 December 2011.

Regular TSP Contributions

There is no Open Season for TSP - you can enroll, change or cancel your contributions at any time. You can contribute any dollar amount or percentage (1% to 100%) of your basic pay up to the elective deferral limit. The elective deferral limit for 2012 is \$17,000. This is an increase from the 2011 limit of \$16,500.

If you want to continue your current regular TSP contributions in 2012 no action is required. If you want to contribute the full \$17,000 during 2012 you must make an election to increase your contributions.

If you want to distribute the \$17,000 over 26 pay periods, you should make your election during the period 4 - 17 December 2011 and elect to contribute \$654 per pay period.

The elective deferral chart at <http://www.public.navy.mil/DONHR/BENEFITS/resources/Documents/TSP%20Elective%20Deferral%20Limit.pdf> can help you determine your regular TSP contribution amount if you distribute your contributions over fewer than 26 pay periods.

If you are a FERS participant, you will receive Agency Matching Contributions on the first 5% of basic pay that you contribute each pay period. The first 3% of basic pay that you contribute will be matched dollar for dollar; the next 2% will be matched at 50 cents per dollar. Contributions above 5% will not be matched. If you reach the IRS elective deferral limit before the end of the year, your contributions and Agency Matching Contributions must stop for the remainder of the year.

If you plan to retire in 2012 you can maximize your employee contributions by electing a bi-weekly amount that allows you to reach the maximum contribution limit by your retirement date. Remember FERS employee contributions above 5% do not receive Agency Matching Contributions.

Additional information about contributing to TSP is available at <https://www.tsp.gov/planningtools/electivecontributions/electiveContributions.shtml>.

Catchup TSP Contributions

If you will be age 50 or over in 2012, you can also contribute up to \$5,500 in additional “catch-up” contributions, as long as your regular contributions for the year are expected to reach the \$17,000 limit. The catch-up contribution limit has not changed from 2011.

If you made catchup TSP contributions during 2011 they will automatically stop at the end of the calendar year or when you reach the maximum dollar limit for the year. If you want to make catchup TSP contributions in 2012 you must make a new catchup TSP election.

If you want to distribute the \$5,500 over 26 pay periods, you should make your election during the period 4 - 17 December 2011 and elect to contribute \$212 per pay period.

The elective deferral chart available at <http://www.public.navy.mil/DONHR/BENEFITS/resources/Documents/TSP%20Elective%20Deferral%20Limit.pdf> can help you determine your catchup TSP contribution amount if you distribute your contributions over fewer pay periods.

Additional information about catchup TSP contributions is available at <https://www.tsp.gov/PDF/formspubs/oc03-03.pdf>.

How to Make Changes to Your TSP Contributions

You can start, change or stop your TSP contributions electronically using the Employee Benefits Information System (EBIS) available at <http://www.public.navy.mil/donhr/Benefits/ebis/Pages/Default.aspx>. If you are a new EBIS user, or you have not accessed EBIS in the last 60 days, you must set up/reset your password.

Effective Date of TSP Elections

Your TSP election will be effective at the beginning of the pay period following the date you made your election. If you want to distribute your regular TSP or catchup TSP contributions equally over all 26 pay periods in 2012 you should make your election during the period 4 – 17 December 2011. The election will be effective 18 December 2011 and will be withheld from your first paycheck in tax year 2012, which you will receive on 6 January 2012.

If you make a TSP election after 17 December 2011, it will be effective at the beginning of the pay period following your election and will be withheld from your paycheck on the pay date for that pay period.

Information about pay periods and pay dates is available at <http://www.public.navy.mil/donhr/Benefits/Pages/EffectiveDateChart.aspx>.

Questions About TSP

If you have questions about TSP, call the Benefits Line at 888-320-2917 and select menu option #4 to talk to a Customer Service Representative (CSR). CSRs are available 7:30 a.m. to 7:30 p.m., Eastern Time, Monday through Friday, except on federal holidays. The TTY number for the deaf and hard of hearing is 866-328-9889.

During the month of December, the Benefits Line call volume is typically highest between 10:00 a.m. and 3:00 p.m. Please continue to hold until a CSR is able to answer your call or place your call outside the peak call hours.